

CALIFORNIA ABOVEGROUND PETROLEUM STORAGE ACT (APSA) PROGRAM

FREQUENTLY ASKED QUESTIONS APSA GRANT

GRANT APPLICATION

Are all Certified Unified Program Agencies (CUPA's) required to apply for the APSA grant?

- A. No. Applying for the APSA grant is not mandatory. The grants are simply the mechanism that California Environmental Protection Agency (Cal/EPA) is using to allocate monies from the Environmental Protection Trust Fund to the CUPA's. However, pursuant to Assembly Bill (AB) 1130 (Laird), all CUPA's now have the authority and responsibility to implement the APSA within their jurisdiction, as part of the Unified Program.

How are the grant applications to be submitted?

- A. CUPA's are required to submit the grant applications in **both** electronic and hard copy formats.

To whom and where do we send the grant application?

- A. The grant applications are to be submitted to Cal/EPA Unified Program Section. The electronic copy is to be submitted via e-mail to cupa@calepa.ca.gov.

The grant application with the original signature is to be submitted to the following address:

California Environmental Protection Agency
Unified Program Section
1001 "I" Street
Sacramento, CA 95814

When is the grant application due?

- A. March 1, 2008. The CUPA may contact Cal/EPA for an extension, if needed.

Is the sample grant application available in MS Word?

- A. Yes, both the grant application template and sample application are available in PDF and MS Word formats on the Cal/EPA Unified Program Web site.

Are there written instructions for the grant application?

- A. Yes, instructions are available on the Cal/EPA Unified Program Web site.

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What is the link to the Cal/EPA Unified Program Web site where APSA program and grant information are available?

A. The link is *www.calepa.ca.gov/CUPA/Aboveground/*.

ENTITY INFORMATION

Does the official title of the Project Director need to be provided on the grant application?

A. Yes. Also, the official title of the Project Director should be the same as that authorized on the local resolution to sign for the grant agreement.

Our county requires all checks to be sent to a specific address, which is different from the address(es) of the Project Director or Grant Contact. How do we address this in our grant application?

A. Simply inform Cal/EPA, on the application or on a separate cover letter, of the need for the disbursement checks to be sent to a different address. On the application or on a separate cover letter, provide the precise address where you wish the checks to be sent.

GRANT AMOUNT

What is the grant amount?

A. The grant amount is the CUPA's total allocation from the Environmental Protection Trust Fund, as determined by the Cal/EPA Secretary. Please refer to the Cal/EPA Unified Program Web site and the "Fund Allocation for each CUPA" document for your CUPA's grant amount.

How was my CUPA's grant amount determined?

A. Cal/EPA used a fund distribution formula to determine the allocation amount for each CUPA. Please refer to the "Fund Distribution Formula" document on the Cal/EPA Unified Program Web site.

Are CUPA's guaranteed to receive their total allocation?

A. Yes, unless a CUPA's incurred expenses for implementing the APSA program are less than 100 percent of its total allocation.

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How will a CUPA's grant amount be disbursed by Cal/EPA?

- A. First, after receiving the signed grant agreement and local resolution, Cal/EPA will disburse the initial advance allocation of 80 percent of the CUPA's total allocation. Once a CUPA expends its 80 percent and submits the invoice(s) to Cal/EPA for the CUPA's incurred costs to implement the APSA program, and then the remaining 20 percent will be available to the CUPA on a reimbursement basis.

When will the remaining 20 percent allocation to a CUPA be available?

- A. Once a CUPA expends its 80 percent allocation, and then the remaining 20 percent will be available. Also refer to the above question.

Is the CUPA required to deposit the grant funds into a separate or special type of account, such as an interest-bearing account?

- A. No. Use the existing accounting system established for the Unified Program.

The term of the grant agreement spans over three fiscal years, FY's 07/08, 08/09, and 09/10. How does the funding get distributed over three fiscal years?

- A. There is no requirement to distribute the funds equally over the three fiscal years. The funding distribution is up to the CUPA's based on their local needs and discretion.

If a CUPA is unable to expend its entire allocation amount, will they be required to return the unspent funds to the State?

- A. Yes. However, remember that the CUPA must first expend the 80 percent advancement prior to receiving the remaining 20 percent. Therefore, only the unexpended portion of the 80 percent will need to be returned to the State. To avoid this, the CUPA's are strongly encouraged to contact and coordinate with Cal/EPA to work on expending their full allocation amount.

Does all of a CUPA's allocation amount need to be expended by December 31, 2009, or can they simply be encumbered by this date and expended at a later time?

- A. Funds need to be encumbered and expended by December 31, 2009.

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Is there a time limit for a CUPA to request the remaining 20 percent of its allocation?

- A. Yes. Unless the grant agreement is amended to extend the “term,” the final invoice must be submitted to Cal/EPA no later than March 1, 2010.

Are there any additional funds available for emergency response to petroleum releases or spills from aboveground storage tanks into or upon navigable waters of the State?

- A. No, not under APSA or from the Environmental Protection Trust Fund.

The tank information we sent to Cal/EPA did not include the tanks facilities located in the jurisdictions of our participating agencies (PA’s). We did not have enough time to gather this information. In light of this, will Cal/EPA adjust our total allocation amount based on the updated inventory provided to Cal/EPA in December 2008?

- A. No. The amount to be allocated to the CUPA’s has already been published and Cal/EPA cannot legally change them. Cal/EPA can neither increase nor decrease these amounts. However, the remaining funds in the Environmental Protection Trust Fund (accrued interest, unspent training monies, etc.) will be allocated to the CUPA’s based on the revised “percentage share calculation.” The revised percentage share for each CUPA will be determined using the updated inventory of businesses regulated under the APSA Program.

If it is determined by a CUPA and their PA’s that the PA’s will be implementing the APSA Program in their jurisdictions, how should the CUPA’s total allocation amount be divided?

- A. The “State List of AST Facilities” includes the City and County for each facility. Using this list and the formula developed to calculate each CUPA’s share of the Environmental Protection Trust Fund, the CUPA can determine the appropriate share for their PA’s. Cal/EPA is available to assist the CUPA’s in performing these calculations, if requested.

GRANT WORK PLAN

How should CUPA’s incorporate the elements of the APSA grant work plan into their existing Unified Program?

- A. The elements of the grant work plan are already components developed and maintained by the CUPA’s to administer the Unified Program. The elements in the work plan should be, to the extent feasible, simple additions to the CUPA’s existing

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processes and activities. The CUPA's should closely examine the existing processes and activities and determine the most effective and efficient method to incorporate the APSA Program.

What APSA implementation activities are covered under the APSA grants?

- A. The grant covers direct and indirect costs of implementing the APSA program. For example, direct costs, such as personnel services, operating expenses (including travel expenses), equipment, and professional or consultant services, are covered. Indirect costs, such as overhead, pro rata, and redistribution costs, are also covered.

Is the plan review for new AST's covered under the APSA grant?

- A. Yes, plan reviews would fall under operating expenses.

I have compared the State-provided list of AST sites with our current inventory. I have found several sites that were referred to the Regional Water Quality Control Board in the past but do not appear on the list. Also, if additional AST sites are found in our jurisdiction prior to submitting our revised AST list to Cal/EPA on December 1, 2008, are additional funds available for the significant difference in the number of facilities?

- A. No. There are no additional funds available for additional AST sites; however, any remaining funds from the Environmental Protection Trust Fund (such as accrual of interest and unused funds from the training account) will be allocated to the CUPA's using the fund distribution formula and the revised AST list that is to be submitted to Cal/EPA by December 1, 2008.

If a CUPA plans to inspect AST facilities at least once every three years as stated in its work plan, can the CUPA also conduct an AST inspection while inspecting a facility for other program elements?

- A. Yes, it is okay to inspect more often than what is stated in the CUPA's work plan. It is also acceptable to conduct combined routine (compliance) inspections. However, AST inspections cannot be conducted until after a CUPA inspector has received formal training and successfully completed the AST examination.

Can AST inspections prior to AST trainings (late summer and early fall of 2008) be billed to the APSA grant?

- A. No. CUPA's cannot conduct any AST facility compliance inspections prior to receiving the AST training and successfully completing the exam. Therefore, there should not be any AST compliance inspections billed to the grant prior to the

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trainings in the summer/fall of 2008. However, CUPA's may conduct outreach at AST sites any time, which is billable to the APSA grant.

If a CUPA conducts an AST inspection before receiving the grant money, is it acceptable for the CUPA to apply the costs of the AST inspection toward their APSA grant money?

- A. If the CUPA inspector has undergone formal AST training and passed the AST exam, then the answer is YES. However, if the CUPA inspector has not yet received formal AST training and taken the AST exam, then the answer is NO. NOTE: A CUPA is not allowed to conduct any APSA compliance inspections prior to its inspectors receiving the AST training and successfully completing the exam. Any observations made by a CUPA inspector that is related to the APSA program should be noted on their observations only. The CUPA is suggested to advise the business of their observations as part of outreach. Outreach is covered under the grant.

We will continue to conduct routine inspections at CUPA sites for the business plan, hazardous waste generator, and other CUPA program compliance. Some of these sites will have AST's. It would seem to be a dereliction of duty to exclude in the inspection report any violations seen in the APSA program and notify them of the need for an SPCC plan. Although it is actually part of the inspection, can a CUPA call this part "outreach" and be covered by the APSA grant until the CUPA inspectors receive formal training?

- A. No. Citing APSA violations (such as not having an SPCC plan) during routine inspections at facilities for compliance with the business plan, UST, hazardous waste generator and/or CalARP program(s) and prior to the formal AST training and successful completion of the AST exam is not acceptable. Any APSA program "observations" should be approached as part of the CUPA's outreach efforts. The CUPA may note its observations and advise the businesses of the applicable APSA requirements; this "outreach" approach would be acceptable and be covered under the APSA grant.

CUPA's need to visit some sites to confirm AST information for inventory. Can a CUPA call this "outreach?"

- A. Yes. Visiting sites to confirm the AST information for the inventory may be considered "outreach" and also be covered under the APSA grant. Identification of the CUPA's regulated universe is, after all, necessary and is, thus, covered under the grant.

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Are CUPA's required to hold outreach workshops or seminars for the regulated community or is it okay to conduct one-on-one outreach?

- A. CUPA's are not required to provide outreach workshops or seminars. A CUPA may determine what outreach activities, if any, they wish to provide, including one-on-one technical assistance.

Once the grant agreement is signed and executed by both parties, will a CUPA be allowed to revise their existing grant agreement?

- A. Yes, but only if the CUPA demonstrates the necessity for the revision and coordinates with the Cal/EPA Grant Manager prior to implementing any grant agreement revision. Both the State and the Grantee (CUPA) must concur with all revisions. An amended grant agreement may be executed, if necessary.

PROJECTED BUDGET

Should the projected budget reflect the CUPA's total allocation amount or the initial disbursement of 80 percent and the remaining 20 percent of the total allocation?

- A. The projected budget should reflect the total allocation amount provided to the CUPA. The disbursement of funds by Cal/EPA should not be included in the projected budget.

If it is determined to be necessary to adjust our work plan and projected budget as provided in our grant application and subsequent grant agreement, will it be necessary to amend the work plan and projected budget.

- A. Yes. However, only substantial shifts in the budget line items would necessitate such adjustments. An adjustment to the budget line items may require other changes to the grant agreement, such as the work plan activities. The changes and adjustments must be clearly described and their necessity explained in the Grant Status Reports. Please contact the Cal/EPA Grant Manager to discuss the potential or inevitable changes and adjustments to the grant agreement.

Is there any restriction to the budget line items?

- A. Yes. The maximum allowable percentage for indirect costs is 35 percent. This rate is applied to personnel services only.

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Is computer equipment, either new or upgrade costs, acceptable expenditures under the APSA grant?

- A. Yes. In the projected budget, the estimated costs of such equipment should be accounted for under the "Equipment" line item if the cost is \$5,000 and up, or accounted for under the "Operating Expenses" line item if under \$5,000.

If a particular computer software is used by several CUPA's and these CUPA's would like to upgrade the software, are the costs per CUPA coverable?

- A. Yes. Computer software is an acceptable cost. The CUPA is responsible for ensuring that the acquisition, operation, or maintenance of computer software does not violate any copyright laws.

In the projected budget, does the cost of personnel services need to be broken down by positions or job titles?

- A. No. The projected budget should only include the total costs for personnel services.

For a CUPA with PA's, should there be separate budgets, such as one for each PA and one for the CUPA?

- A. No. Only one projected budget should be developed. However, if the PA's will be implementing the APSA program element, then the projected budget should reflect all costs incurred by both the CUPA and the PA's. The CUPA may depict a PA's total projected budget as a separate line item under "Direct Program Costs" or "Professional/Consultant Services."

Employee and fringe benefits, such as vacation, holidays, sick leave, etc., are incorporated in the formulation, along with salary, to determine our "productive hourly rate" for personnel costs. Is this considered an acceptable accounting procedure under the grant?

- A. Yes. The "Personnel Services" line item should depict the total projected cost by calculating the sum of the personnel salaries (hourly rate x work hours) multiplied by the employee benefits (%).

FEE ACCOUNTABILITY PROGRAM AND SINGLE FEE SYSTEM

Why is the fee accountability program part of the APSA grants?

- A. First of all, the implementing statute (AB 1130) specifically mandates that a Fee Accountability Program be developed for the APSA program. It provides for the adoption of necessary and reasonable fees to cover a CUPA's implementation

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activities, based on tangible direct and indirect cost considerations. The CUPA is required to establish the Fee Accountability Program prior to implementing the single fee system.

Our fees are not on a fiscal year cycle. Do we have to adopt our new single fee system by January 1, 2010?

A. No.

Is it acceptable for the governing body to adopt the local APSA fee schedule prior to January 1, 2010?

A. Yes. A CUPA may choose to have its new single fee system in place on, before, or after January 1, 2010. However, a CUPA cannot assess or collect any of the APSA fees until January 1, 2010.

What is the relationship between the adoption of the local single fee for the APSA program and the date (January 1, 2010) when a tank facility is subject to pay CUPA's the annual fee?

A. Other than the obvious requirement to adopt a fee before it can be assessed, there is no significant relationship between the two. The single fee must be adopted at a level that is necessary and reasonable to cover the costs incurred by the CUPA to implement the APSA Program within their jurisdiction. Commencing in January of 2010, a tank facility is obligated to pay the APSA single fee established by the CUPA, in an amount and by a date determined by the CUPA.

We currently charge a fee for AST's that meet the 1,320 gallons aggregate total. That fee was part of our single fee program approved by Cal/EPA. Do we have to stop charging that fee effective January 1, 2008? For example, a facility with a 5,000-gallon AST storing motor vehicle fuel pays an \$88 fee and surcharge for its business plan, as well as an \$88 fee for the AST for a total of \$176 plus State surcharges.

A. Yes. The CUPA cannot assess any fee related to the APSA program from January 1, 2008, through December 31, 2009.

Can a CUPA assess and collect fees beginning on January 1, 2010, for the previous years from January 1, 2008, to December 31, 2009?

A. No.

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GRANT AGREEMENT

When is the grant agreement due?

A. No later than June 2, 2008.

Does the Project Director need to sign both the application and the agreement?

A. Not necessarily. The application may be signed by the Project Director, the grant contact, or a designated person. The grant agreement must be signed by the Project Director as authorized on the CUPA's resolution. NOTE: The resolution authorizes the official title of an individual (such as the Environmental Health Director, Fire Chief or CUPA Manager) – not an actual individual's name – to sign the grant agreement.

What are the dates for the grant period?

A. Work completed between January 1, 2008, and December 31, 2009.

Will PA's be required to establish and maintain a fee accountability program?

A. Yes, the fee accountability program applies to the Unified Program Agencies and the State. It is intended to ensure accountability in the adoption of local fees and the state surcharge.

Can CUPA's expect future allocations?

A. Yes. Any funds remaining in the Environmental Protection Trust Fund (such as accrual of interest and unused funds from the training account) will be allocated to the CUPA's using the fund distribution formula and the revised AST list that is to be submitted to Cal/EPA by December 1, 2008.

Is there a sample agreement available to us for review?

A. Yes, once the agreement template is finalized, a sample agreement will be available to download from the Cal/EPA Unified Program Web site.

When does a CUPA receive its initial advance disbursement?

A. Once Cal/EPA receives a CUPA's application, signed grant agreement, and resolution, then the CUPA will be given its initial advance disbursement.

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How much will a CUPA receive on its first advance disbursement?

- A. Eighty percent of the CUPA's total allocation, as stated in law.

REPORTING

What information needs to be included in the reports?

- A. Each report should include a brief description of all the actions taken and the work activities performed during the reporting period. The report should also include a description of any problems encountered or potential issues identified.

What are the due dates for the reports?

- A. 1st Report – August 1, 2008
2nd Report – February 1, 2009
3rd Report – August 1, 2009
Final Report – March 1, 2010

INVOICING

To address the invoicing requirement, what type of documentation does Cal/EPA require for the budget items, such as personnel costs, travel expenses, and so forth?

- A. Cal/EPA will provide an invoice template for the CUPA's to report their expenditures to Cal/EPA and to track their budget. Supporting documentation is not required to be submitted with the reports and invoices sent to Cal/EPA; however, CUPA's are required to maintain supporting documentation as part of their recordkeeping requirements.

Can we begin tracking the personnel costs as of January 1, 2008?

- A. Yes.

LOCAL RESOLUTION

When is the local resolution due?

- A. There is no due date to submit the resolution, but CUPA's will not receive their first advance allocation until Cal/EPA receives their completed application, signed agreement, and local resolution.

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Is the resolution due with the application packet (March 1, 2008) or with the agreement (June 2, 2008)?

- A. No. The resolution is not required to be submitted with either the grant application or the grant agreement, although the CUPA may do so.

If the authority to execute grant agreements/amendments is with the CUPA's Board of Supervisors (Board) or City Council, then when should the CUPA's submit their resolution?

- A. If applicable, the CUPA's should follow their Board's or City Council's policy and submit their resolution along with their grant agreements.

Who is authorized to sign the grant agreement?

- A. Authorization will be determined by the governing bodies of each CUPA. The individual, who occupies the position or holds the job title, designated by the governing body of the CUPA pursuant to the local resolution that grants the CUPA the authority to pursue, accept, and manage all aspects related to the APSA grant.